



STATE OF IOWA

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DEPARTMENT OF HUMAN SERVICES
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INFORMATIONAL LETTER NO.1003

DATE: May 13, 2011

TO: Iowa Medicaid Targeted Case Managers, Home Community Based Services (HCBS) Waiver Case Managers, and Habilitation Case Managers

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

SUBJECT: Billing Case Management & Targeted Case Management Services

EFFECTIVE: July 1, 2012

The purpose of this letter is to communicate the future IME rounding guidelines that Home and Community Based Services (HCBS) waiver case managers, targeted case managers, and habilitation case managers should use when billing service codes defined as a 15 minute unit.

In 2010, the billing codes used for HCBS waiver case management, targeted case management and habilitation case management services for Iowa Medicaid members were changed from a monthly unit to a 15 minute unit. In 2012, many of the other billing codes used by other waiver providers to bill Iowa Medicaid will also be converted to billing codes defined as 15 minutes. These conversions are necessary in response to the Centers for Medicare and Medicaid Services (CMS) requirement that Medicaid programs no longer use locally defined codes (in Iowa those codes beginning with a "W"). State Medicaid programs are required to use standard Current Procedural Terminology (CPT) or Healthcare Common Procedure Coding System (HCPCS) codes; those conversions will be detailed to providers in later communications.

There are several reasons why the IME is implementing the use of the rounding guidelines and are detailed below:

- The IME is striving to have a consistent policy for all 15 minute billing codes submitted to the IME, not only for waivers but for all Medicaid services billed with a 15 minute code. Several programs are already following the guidelines listed below.
- Numerous targeted case management and HCBS waiver case management entities have expressed concerns over the use of the billable unit definition as 1-15 minute encounter. The time and resources needed to document the very short encounters appears to outweigh any benefit to the provider.

Here are the details of the IME rounding guidelines which become effective on July 1, 2012, for cost settled codes:

- The times spent on all billable activities for a member will be added together for the day. No longer will each activity be billed as a separate unit.
- For each day the total time spent on billable activities will be divided by 15.
 - This will give the number of full 15 minute units, and
 - A remainder of some minutes less than 15.
- The remainder will be rounded using these guidelines:
 - 1-7 minutes will be rounded down. This will not constitute a billable 15 minute unit.
 - 8-15 minutes will be rounded up and will constitute 1 additional billing unit.
- The total number of units to be billed for the member for that day will be the sum of the full 15 minute units plus any additional unit created by rounding.
- Targeted case managers will continue to complete their claim forms in accordance with Informational Letter No. 973 dated December 15, 2010.
- Case management provided as a HCBS waiver service will still continue to be billed per month on one line on the waiver claim form. That line would be the sum of the daily units for that month.

Example 1: The case manager has a 20 minute phone conversation with the member. Documenting the conversation takes another 5 minutes.

- The total time is $20 + 5 = 25$ minutes.
- $25 \text{ minutes} / 15 \text{ minutes} = 1$ full billable unit with a remainder of 10 minutes.
- 10 minutes rounds up to 1 additional unit.
- $1 \text{ full unit} + 1 \text{ rounded unit} = 2$ billable units for the day.

Example 2: The case manager has a 10 minute phone conversation with the member; a 20 minute conversation with the CDAC provider and then takes 17 minutes to document these conversations.

- The total time is $10 + 20 + 17 = 47$ minutes.
- $47 \text{ minutes} / 15 \text{ minutes} = 3$ full billable units with a remainder of 2 minutes.
- 2 minutes rounds down and is not a billable unit.
- $3 \text{ full units} + 0 \text{ rounded units} = 3$ billable units for the day.

These guidelines will be included in the Iowa Administrative Code (IAC). The effective date for most billing codes will be January 1, 2012, but for those codes that are cost settled the effective date is July 1, 2012. On the effective dates, the rounding methodology will be required.

If you have any questions, please contact Le Howland at lhowlan@dhs.state.is.us.